

PRESS RELEASE FROM ROTTNEROS AB

Vallvik Mill to concentrate production on two pulp grades

Vallvik Mill, part of the Rottneros Group, is to concentrate its production of paper pulp on the bleached product ECF and on UKP, which is entirely unbleached. Production of TCF pulp will gradually reduce, ceasing entirely from the beginning of 2006.

The change is partly due to efforts to concentrate production at Vallvik Mill on fewer main products, and partly to the fact that demand for TCF pulp has reduced significantly in recent years and now accounts for only approximately 10 percent of Vallvik's total production of around 200,000 tonnes.

The uses of ECF include the production of fine paper, printing paper, filters and coated paper for catalogues, while UKP is used for electrical applications, filters and other specialist products.

In recent years Rottneros has developed new grades of UKP, which like ECF is enjoying strong demand in the market. The Group therefore sees these grades as growth areas.

In 2001 an investment programme was started, aimed among other things at further improvements in the external environment at Vallvik. The programme, which involves investments amounting to SEK 115 million, is now in its final phase and has resulted in reduced discharges to water. The investment is in line with a decision made by the environmental authorities and is being implemented in consultation with the environmental units at the county administrative boards in Gävleborg and Söderhamn.

Since production of TCF will cease at the end of 2005, the question concerning a biological treatment facility discussed previously is no longer relevant.

“The pulp grades we will now be producing at Vallvik form important elements of Rottneros' strategy of adapting the Group to interesting niches in the market. In addition, having fewer products will improve Vallvik's efficiency,” says Rottneros' President Lars Blecko.

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